

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1580 - HB 1729

March 9, 2016

SUMMARY OF ORIGINAL BILL: Expands reciprocity of specialty training licenses for individuals seeking authority to practice medicine or surgery in Tennessee. Authorizes individuals who completed a primary specialty training program accredited by the Royal College of Physicians and Surgeons of Canada, which is of a duration of at least four years, to apply with the Department of Health for a specialty training license in order to practice such specialty in Tennessee.

Expands, from seven to ten years, the duration of time in which an individual seeking a specialty license to practice medicine or surgery in Tennessee has to complete the United States Medical Licensing Examination or its successor examination, from the time the applicant successfully completes the first step in the examination. Authorizes the Board of Medical Examiners to promulgate rules and regulations creating exceptions which extend the ten-year time frame.

Authorizes the Board of Medical Examiners to issue a temporary license of limited duration to an international medical school graduate with demonstrated competence, in the discretion of the Board as special circumstances require.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$1,700/FY16-17/Board of Medical Examiners
\$1,700/FY17-18/Board of Medical Examiners
Exceeds \$3,200/FY18-19 and Subsequent Years/Board of
Medical Examiners

SUMMARY OF AMENDMENTS (013276, 012791): Amendment 012791 adds language to the original bill requiring any rule promulgated to implement the provisions of this legislation be provided by the Secretary of State to the chairs of the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate, after approval of the Attorney General, and at the same time the text of the rule is made available to the Government Operations Committees of the House of Representative and the Senate, respectively, for the purposes of conducting the review provided in Tenn. Code Ann. § 4-5-226, and affording the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate the opportunity to comment on the rule.

Amendment 013276 adds language to authorize the Board of Medical Examiners to issue limited licenses to physicians who have not practiced for an extended period of time or are engaged exclusively in administrative medicine at the time of application.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue –

\$23,400/FY16-17/Board of Medical Examiners

\$23,400/FY17-18/Board of Medical Examiners

Exceeds \$36,700/FY18-19 and Subsequent Years/Board of Medical Examiners

Assumptions for the bill as amended:

- This legislation takes effect upon becoming law. For purposes of this fiscal note, this license will become available on July 1, 2016.
- This bill as amended will expand the number of eligible applicants for a specialty training license.
- Currently, pursuant to rule 0880-02-.02 of the Board of Medical Examiners, the following fees are imposed: an application fee of \$400, a biennial renewal fee of \$225, a \$10 state regulatory fee upon initial and renewal licensure application, and a specialty training license fee of \$25 upon initial application.
- It is assumed that there will be one additional person per year that is issued a specialty training license as a result of this legislation.
- An increase in licensure fee revenue in FY16-17 of \$435 ($\$400 + \$25 + \10).
- An increase in licensure fee revenue in FY17-18 of \$435 ($\$400 + \$25 + \10).
- An increase in licensure fee revenue in FY18-19 and subsequent years exceeding \$670 [$(\$400 + \$25 + \$10) + (\$225 + \$10)$].
- This bill as amended will create a new limited license classification for physicians.
- According to the Department of Health, it is assumed that there will be approximately 50 individuals who seek this license annually.
- An increase in licensure fee revenue in FY16-17 of \$21,750 [$50 \times (\$400 + \$25 + \$10)$].
- An increase in licensure fee revenue in FY17-18 of \$21,750 [$50 \times (\$400 + \$25 + \$10)$].
- An increase in licensure fee revenue in FY18-19 and subsequent years exceeding \$33,500 [$[50 \times (\$400 + \$25 + \$10)] + [50 \times (\$225 + \$10)]$].
- This bill as amended will result in the Board of Medical Examiners issuing a new, temporary license for international students.
- An estimated fee of \$200 biennially for initial and renewal licensure. A \$10 state regulatory fee upon initial and renewal licensure application.
- According to the Department of Health, it is not possible to determine the number of international medical students licensed by boards under the Division of Health Related Boards.
- Two individuals per grand division or six (2 students x 3 grand division) international medical students will be issued temporary licenses per year.
- An increase in revenue in FY16-17 of \$1,260 [$6 \text{ students} \times (\$200 + \$10)$].
- An increase in revenue in FY17-18 of \$1,260 [$6 \text{ students} \times (\$200 + \$10)$].
- An increase in revenue in FY18-19 and subsequent years exceeding \$2,520 [$(6 \text{ initial licenses} + 6 \text{ renewal licenses}) \times (\$200 + \$10)$].

- The total increase in state revenue to the Board of Medical Examiners in FY16-17 is estimated to be \$23,445 (\$435 + \$21,750 + \$1,260).
- The total increase in state revenue to the Board of Medical Examiners in FY17-18 is estimated to be \$23,445 (\$435 + \$21,750 + \$1,260).
- The total recurring increase in state revenue to the Board of Medical Examiners in FY18-19 and subsequent years is estimated to exceed \$36,690 (\$670 + \$33,500 + \$2,520).
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over any two-year period. The Board of Medical Examiners had a deficit of \$75,431 in FY13-14, a surplus of \$359,446 in FY14-15, and a cumulative reserve balance of \$2,725,411 on June 30, 2015.
- The Secretary of State and Attorney General can perform any functions required in amendment 012791 using existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/jdb